

TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
EXECUTIVE SUMMARY REPORT	2
<i>Conclusion and Recommendation:</i>	<i>2</i>
ANALYSIS PROCESS	3
<i>SPECIALTY.....</i>	<i>3</i>
<i>HIGHEST AND BEST USE ANALYSIS.....</i>	<i>3</i>
<i>SPECIAL ASSUMPTIONS, DEPARTURES AND LIMITING CONDITIONS</i>	<i>3</i>
<i>Identification of the Area:</i>	<i>4</i>
<i>Maps:.....</i>	<i>4</i>
<i>Area Description:.....</i>	<i>4</i>
<i>PRELIMINARY RATIO ANALYSIS</i>	<i>5</i>
<i>LAND SALES, ANALYSIS, CONCLUSIONS.....</i>	<i>6</i>
IMPROVED PARCEL TOTAL VALUES.....	6
<i>SALES COMPARISON APPROACH MODEL DESCRIPTION</i>	<i>6</i>
<i>Sales Comparison Calibration.....</i>	<i>6</i>
<i>COST APPROACH MODEL DESCRIPTION</i>	<i>6</i>
<i>Cost Calibration.....</i>	<i>6</i>
<i>INCOME CAPITALIZATION APPROACH MODEL DESCRIPTION.....</i>	<i>6</i>
<i>Income Approach Calibration</i>	<i>8</i>
<i>TOTAL VALUE CONCLUSIONS, RECOMMENDATIONS AND VALIDATION:</i>	<i>8</i>
<i>CLIENT AND INTENDED USE OF THE APPRAISAL:.....</i>	<i>12</i>
<i>DEFINITION AND DATE OF VALUE ESTIMATE:.....</i>	<i>12</i>
<i>Market Value.....</i>	<i>12</i>
<i>Highest and Best Use</i>	<i>12</i>
<i>Date of Value Estimate</i>	<i>12</i>
<i>PROPERTY RIGHTS APPRAISED:</i>	<i>13</i>
<i>Fee Simple.....</i>	<i>13</i>
<i>ASSUMPTIONS AND LIMITING CONDITIONS:</i>	<i>13</i>
<i>DEPARTURE PROVISIONS:</i>	<i>14</i>
<i>CERTIFICATION:.....</i>	<i>14</i>

Executive Summary Report

Appraisal Date 1/1/06 -2006 Assessment Roll

Specialty Name: Business Parks

SALES – IMPROVED ANALYSIS SUMMARY:

Number of Sales -24

Range of Sales Dates: 1/10/03 – 12/09/05

Sales – Ratio Study Summary:				
	<i>Avg. Improved Value</i>	<i>Avg. Sales Price</i>	<i>Ratio</i>	<i>COV</i>
2005 Value	\$8,477,500	\$10,038,100	84.50%	16.75%
2006 Value	\$9,508,600	\$10,038,100	94.70%	8.48%
Change	\$1,031,100	0	+10.20%	-8.27%
% Change	+12.16%	0.00%	+12.07%	-49.37%

*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of -8.27% (Change) and -49.37% (% Change) actually represent an improvement.

Sales used in Analysis: All sales verified as good were included in the analysis.

Total Population - Parcel Summary Data:			
	<i>Land</i>	<i>Improvements</i>	<i>Total</i>
2005 Value	\$382,100,900	\$740,026,500	\$1,122,127,400
2006 Value	\$415,180,300	\$809,899,830	\$1,225,080,130
% Change	+8.66%	+9.44%	+9.17%

Number of Parcels in the Population: 280

Conclusion and Recommendation:

Assessed values for the 2006 revalue have increased on average of 9.17%.

Twelve new sales of business park properties occurred in 2005. While rents have continued to remain stable, overall vacancies have continued to drop. Capitalization rates have reached record lows. Falling interest rates and demand from investors moving funds from the stock market to more secured real estate investments has led to the drop in capitalization rates. There continues to be demand for business park properties, and as a result, sales prices have risen.

Since the values recommended within this report improve uniformity and equity, we recommend posting them for the 2006 Assessment Roll.

ANALYSIS PROCESS

Specialty

Specialty Areas – 520 Business Parks

Highest and Best Use Analysis

As if vacant: Market analyses of the area, together with current zoning and current and anticipated use patterns, indicate the highest and best use of the land.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and therefore are the highest and best use of the property as improved. In those properties where the property is not at its highest and best use a token value of \$1,000.00 is assigned to the improvements.

Special Assumptions, Departures and Limiting Conditions

The sales comparison, income and cost approaches to value were considered for this mass appraisal valuation.

The following Departmental guidelines were considered and adhered to:

- ✚ Sales from 1/2003 to 12/2005 (at minimum) were considered in all analyses.
- ✚ No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of three years of market information without time adjustments averaged any net changes over that time period.
- ✚ This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area:

Name or Designation: Business Parks

Boundaries: The Business Park properties are located throughout King County but are predominantly situated within the Eastside, Kent Valley, and South Seattle market areas.

Maps:

A GIS map of the entire area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

The Business Park Specialty Properties are defined as being mostly multi-tenant properties and are generally of a low-rise architectural style with twelve to sixteen foot building heights. The frontage or street exposure tends to have the glass curtain wall and entry to the office space. The rear of the buildings have roll up doors and access to the warehouse and/or light industrial space. They are also defined by their build-out ratio which is below the 40%, typical of High-Tech, and above the minimal 15% to 20% office build out typical of distribution warehousing and light industrial uses.

The concentration of business parks is in the Kent Valley (Kent, Auburn, & Tukwila) and the Sammamish Valley (Redmond & Woodinville) with a scattering of properties around King County in Bellevue, Renton, Issaquah, Preston, and the South Seattle Industrial area. There are five neighborhoods that have been established for valuation purposes in this specialty.

Neighborhood 520-10:

Neighborhood 520-10 is generally defined as those business park buildings located within the Kirkland (Totem Lake), and Redmond (Willows/Marymoor) neighborhoods. Within geographic area 520-10, there are approximately 86 parcels that are part of the business park specialty.

Neighborhood 520-20:

Neighborhood 520-20 is generally defined as those business park buildings located within the Bellevue (SR-520 & I-90 Corridor), and Redmond (Overlake) neighborhoods. Within geographic area 520-20, there are approximately 53 parcels that are part of the business park specialty.

Neighborhood 520-30:

Neighborhood 520-30 is generally defined as those business park buildings located within the Kent, Auburn, Tukwila, and Federal Way neighborhoods. Within geographic area 520-30, there are approximately 88 parcels that are part of the business park specialty.

Neighborhood 520-40:

Neighborhood 520-40 is generally defined as those business park buildings located within the South Seattle Industrial area, which also includes properties located in Sea-Tac and parts of Renton. Within geographic area 520-40, there are approximately 28 parcels that are part of the business park specialty.

Neighborhood 520-50:

Neighborhood 520-50 is generally defined as those business park buildings located within the Bothell (North Creek) and Woodinville neighborhoods. Within geographic area 520-50, there are approximately 25 parcels that are part of the business park specialty.

Physical Inspection Area

The physical inspection area for the 2006 revalue consisted of the Business Park sales, rental comparables, and various Business Parks located in neighborhoods 20, and 30 which amounted to a total of approximately 17% of the Business Parks in King County.

Preliminary Ratio Analysis

A Preliminary Ratio Study was done 5-16-06.

The study included sales of improved parcels and showed a COV of 16.75% and a weighted-mean ratio of 84.5%.

A Ratio Study was completed after deriving the 2006 assessment year values. The results are included in the validation section of this report and show an improvement in the COV from the previous rate of 16.75% to a new rate of 8.48%.

LAND VALUE

Land Sales, Analysis, Conclusions

The respective geographic appraiser valued the land. A list of vacant sales used and those considered not reflective of market are included in the geographic appraiser's reports.

IMPROVED PARCEL TOTAL VALUES

Sales Comparison Approach Model Description

The model for sales comparison was based on five data sources from the Assessor's records; occupancy codes, age, quality, size, and location. There were 24 improved sales within the Business Park Specialty dating from 01/10/2003 to 12/09/2005 and considered fair market transactions. The sales were organized by neighborhood. Because of the limited number of comparable sales, the sales comparison approach was not used exclusively. The 24 sales were used, though, in the development of capitalization, rental, expense, and vacancy rates within the income approach. All sales were verified if possible by a call or written inquiry with either the purchaser or seller, inquires in the field, various publications, or calling the real estate agent. Characteristic data was verified for all sales if possible.

Sales Comparison Calibration

The search for comparable sales was within each economic neighborhood and expanded to include the surrounding neighborhoods within the geographic area. Location, quality, sizes, occupancy use, and effective age were factors considered for adjustment.

Cost Approach Model Description

In those areas where a cost approach was done the Marshall & Swift Commercial Estimator was used to automatically calculate cost estimates for all properties. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. Cost estimates were also relied upon for special use properties where limited or no income data or market data exists.

Cost Calibration

The Marshall & Swift Valuation modeling system built into the Real Property Application is calibrated to the western region and the Seattle area. Depreciation is also based on studies done by Marshall & Swift Valuation Service. New construction that was a percent complete as of 7-31-06 was valued using the Marshall and Swift Cost Estimator.

Income Capitalization Approach Model Description

The economic income driven mass appraisal model was used as the primary valuation method.

The Business Park Specialty Properties in King County are divided into five neighborhoods 520-10, 520-20, 520-30, 520-40, and 520-50. The model consists of economic rent tables for the types of interior space that are typically found in these properties. Economic income information was collected predominately from the market place. Other sources of income information include but are not limited to sales reporting services such as "Costar", data collected in the field (both asking and actual rates), fee appraisals, journals and publications. Economic income tables were then developed to perform an income approach for the Business Parks. These economic income tables are contained at the end of this report.

According to Colliers International 4th Quarter 2005 Industrial Market Report, the direct vacancy rate (excluding sublease space) for the Eastside Industrial market (Geo. Area 520-10, 520-20, & 520-50) decreased from 15.86% in 2004 to 11.55% in 2005. The Business Park vacancy rate for the Eastside was reported at 8.73% for year end 2005. Within the Kent Valley, direct vacancy for all industrial type properties decreased from 8.51% in 2004 to 6.38% in 2005, while Business Parks reported a higher vacancy rate of 12.25% for year end 2005. For the Seattle Close-In industrial market area, the reported vacancy rate increased slightly from 5.85% in 2004 to 6.26% in 2005. Of the total vacancy reported within the Seattle Close-In industrial market area, Business Parks reported a slightly higher vacancy of 6.83% for year end 2005.

In the “Year End 2005 Industrial Market and Submarket Statistics”, reported by Cushman and Wakefield, the Eastside industrial market experienced an overall vacancy rate (excluding sublease space) of 8.20%, with the Office Service Centers (Business Parks) having a reported vacancy rate of 9.10%. This same publication reported that the industrial market for the Kent Valley experienced an overall vacancy rate of 3.80% while the Office Service Centers (Business Parks) reported a vacancy rate of 8.80%

According to CB Richard Ellis 4th Quarter 2005 Industrial “Market View” for the Puget Sound Area, their survey and analysis indicates that for the Eastside industrial market warehouse shell space rents between \$4.80 to \$7.80 per year per square-foot and the office space in these industrial buildings rent from \$10.80 to \$16.20. In the Kent Valley, warehouse shell space indicates rental rates from \$3.48 to \$5.40 per square foot per year and that office space in these industrial buildings rents from \$6.00 to \$9.00.

The models that are used for this revaluation are based on the building size parameters specific to the specialty and are dependent on effective age and quality data. Vacancy rate, expense rate and capitalization rate ranges were interpolated from data obtained from the market.

AREA 520-10:

The rental rates per square foot range from \$12 to \$15.00 for the warehouse office space and \$6.00 to \$7.20 per square foot for warehouse space. The vacancy and expense rates are constant at 10% and 7.50% for all properties respectively. The market capitalization rates range from 6.50% to 9.25%.

AREA 520-20:

The rental rates per square foot range from \$11.40 to \$15.60 for the warehouse office space and \$6.00 to \$8.40 per square foot for warehouse space. The vacancy and expense rates are constant at 6% and 7.50% for all properties respectively. The market capitalization rates range from 6.50% to 9.25%.

AREA 520-30:

The rental rates per square foot range from \$7.20 to \$8.40 for the warehouse office space and \$3.60 to \$6.00 per square foot for warehouse space. The vacancy and expense rates are constant at 10% and 7.50% for all properties respectively. The market capitalization rates range from 6.50% to 9.50%.

AREA 520-40:

The rental rates per square foot range from \$12.00 to \$14.40 for the warehouse office space and \$4.20 to \$7.20 per square foot for warehouse space. The vacancy and expense rates are constant at 6% and 7.50% for all properties respectively. The market capitalization rates range from 6.50% to 9.50%.

AREA 520-50:

The rental rates per square foot range from \$12.00 to \$13.80 for the warehouse office space and \$5.40 to \$7.80 per square foot for warehouse space. The vacancy and expense rates are constant at 9% and 7.50% for all properties respectively. The market capitalization rates range from 6.50% to 9.25%.

Income Approach Calibration

The models were calibrated after setting base rents by using adjustments based on effective age, and construction quality as recorded in the Assessor's records. There are 20 parcels that are exceptions to the model driven income approach to value. The exceptions are due to excess land or insufficient land to support the economic unit involved. Parking is assumed to be included in the rent for the office/warehouse space.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

The values for all parcels were individually reviewed by the specialty appraiser before the final value was selected.

MODEL VALIDATION

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust by particular characteristics and conditions as they occur in the valuation area.

The Specialty Appraiser recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

The new assessment level is 94.7% and the COV is 8.48%. All standard statistical measures of valuation performance are all within IAAO guidelines and are presented both in the Executive Summary and in the 2005 and 2006 Ratio Analysis charts included in this report.

The total assessed value for the 2005 assessment year for the Business Park Specialty was \$1,122,127,400. The total recommended assessed value for the 2006 assessment year is \$1,225,080,130.

Application of these recommended values for the 2006 assessment year results in an average total change from the 2005 assessments of (+) 9.17%. This increase is due in part to changes in the return of investment expected by investors, the increase in demand for commercial real estate properties for investment purposes, since last year, and the previous assessment levels.

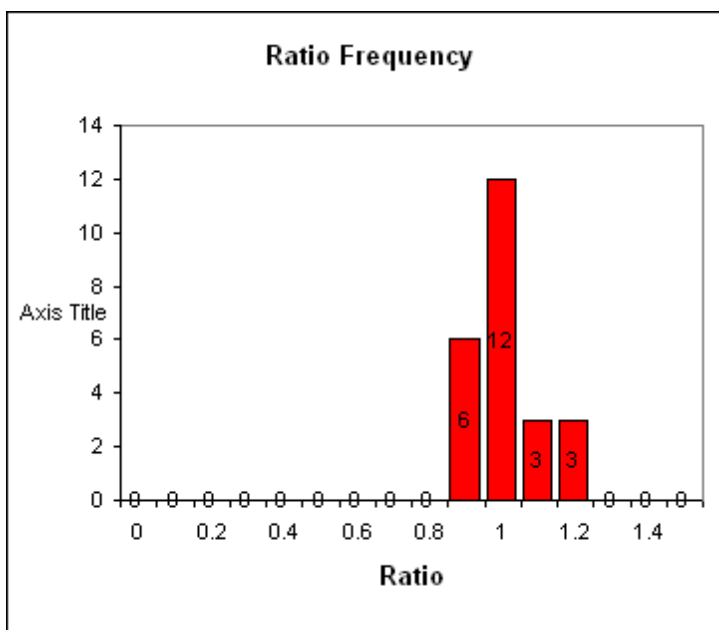
Area 520-000 Business Parks
2006 Assessment Year
A 2006 Ratio Looking at Sales Using the 2005 Assessment Values

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:																					
East Crew	1/1/2005	5/16/2006	1/10/03 - 12/09/05																					
Area	Appr ID:	Prop Type:	Trend used?: Y / N																					
520-000	STRO	Improvement	N																					
SAMPLE STATISTICS																								
Sample size (n)	24	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.5</td><td>1</td></tr><tr><td>0.7</td><td>1</td></tr><tr><td>0.8</td><td>5</td></tr><tr><td>0.9</td><td>8</td></tr><tr><td>1.0</td><td>6</td></tr><tr><td>1.1</td><td>1</td></tr><tr><td>1.2</td><td>2</td></tr><tr><td>1.3</td><td>0</td></tr><tr><td>1.4</td><td>0</td></tr></tbody></table>			Ratio	Frequency	0.5	1	0.7	1	0.8	5	0.9	8	1.0	6	1.1	1	1.2	2	1.3	0	1.4	0
Ratio	Frequency																							
0.5	1																							
0.7	1																							
0.8	5																							
0.9	8																							
1.0	6																							
1.1	1																							
1.2	2																							
1.3	0																							
1.4	0																							
Mean Assessed Value	8,477,500																							
Mean Sales Price	10,038,100																							
Standard Deviation AV	6,672,474																							
Standard Deviation SP	8,239,044																							
ASSESSMENT LEVEL																								
Arithmetic mean ratio	0.872																							
Median Ratio	0.864																							
Weighted Mean Ratio	0.845																							
UNIFORMITY																								
Lowest ratio	0.4780																							
Highest ratio:	1.1139																							
Coefficient of Dispersion	13.04%																							
Standard Deviation	0.1460																							
Coefficient of Variation	16.75%																							
Price-related Differential	1.03																							
RELIABILITY																								
95% Confidence: Median																								
Lower limit	0.792																							
Upper limit	0.981	These figures reflect measurements <u>before</u> posting new values.																						
95% Confidence: Mean																								
Lower limit	0.813																							
Upper limit	0.930																							
SAMPLE SIZE EVALUATION																								
N (population size)	268																							
B (acceptable error - in decimal)	0.05																							
S (estimated from this sample)	0.1460																							
Recommended minimum:	30																							
Actual sample size:	24																							
Conclusion:	Uh-oh																							
NORMALITY																								
Binomial Test																								
# ratios below mean:	12																							
# ratios above mean:	12																							
z:	-0.204124145																							
Conclusion:	Normal*																							
*i.e., no evidence of non-normality																								

**Area 520-000 Business Parks
2006 Assessment Year
Ratio of Sales to 2006 AV**

Quadrant/Crew: East Crew	Lien Date: 1/1/2006	Date: 5/16/2006	Sales Dates: 1/10/03 - 12/09/05
Area 520-000	Appr ID: STRO	Prop Type: Improvement	Trend used?: Y / N N

SAMPLE STATISTICS	
Sample size (n)	24
Mean Assessed Value	9,508,600
Mean Sales Price	10,038,100
Standard Deviation AV	7,604,465
Standard Deviation SP	8,239,044
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.964
Median Ratio	0.951
Weighted Mean Ratio	0.947
UNIFORMITY	
Lowest ratio	0.8406
Highest ratio:	1.1614
Coefficient of Dispersion	6.52%
Standard Deviation	0.0817
Coefficient of Variation	8.48%
Price-related Differential	1.02
RELIABILITY	
95% Confidence: Median	
Lower limit	0.904
Upper limit	1.000
95% Confidence: Mean	
Lower limit	0.931
Upper limit	0.997
SAMPLE SIZE EVALUATION	
N (population size)	268
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.0817
Recommended minimum:	10
Actual sample size:	24
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	14
# ratios above mean:	10
z:	0.612372436
Conclusion:	Normal*
*i.e., no evidence of non-normality	



These figures reflect measurements after posting new values.

Improvement Sales for Area 520 with Sales Used 05/16/2006

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
520	040	336590	1881	76,224	1933466	\$7,600,000	01/10/03	\$99.71	FAIRWAY CENTER	C/LI	1	Y	
520	020	292406	9145	96,000	1934803	\$9,942,500	01/22/03	\$103.57	CASCADE BUSINESS PARK	R	1	Y	
520	010	943050	0140	21,000	1937580	\$2,300,000	02/03/03	\$109.52	TSUKINEKO POLYCOR/ WILLOWS 2	MP	1	Y	
520	010	943050	0142	20,250	1937610	\$2,417,500	02/03/03	\$119.38	ALDUS INC	MP	1	Y	
520	030	346280	0040	54,660	1966603	\$4,109,426	06/19/03	\$75.18	RIVERBEND BLDG A AKA TRUESOUPS	M1	1	Y	
520	040	766620	5990	63,198	1979056	\$7,000,000	08/06/03	\$110.76	BUSINESS PARK	IG1 U/8	2	Y	
520	010	240050	0010	66,000	1991355	\$5,100,000	09/21/03	\$77.27	PAC CONCESSIONS INC	MP	1	Y	
520	040	322304	9062	254,696	2005912	\$33,776,000	12/01/03	\$132.61	International Airport Centers	BP	5	Y	
520	010	282605	9057	48,740	2051961	\$5,850,000	06/21/04	\$120.02	NORTH PARK BUSINESS CTR	BC	1	Y	
520	050	664110	0050	58,880	2074630	\$3,800,000	09/22/04	\$64.54	PARK AT WOODINVILLE BLDG E	I	1	Y	
520	020	272505	9029	32,234	2077780	\$3,500,000	10/14/04	\$108.58	NORTH CREEK PARK	GC	1	Y	
520	030	030150	0010	147,849	2092475	\$12,900,000	12/21/04	\$87.25	OPUS PARK 167 BUILDING NO. 1	BP	2	Y	
520	020	282505	9159	23,316	2102523	\$2,500,000	02/14/05	\$107.22	STUSSER ELECTRIC	LI	1	Y	
520	030	788880	0010	227,070	2105185	\$14,888,000	02/25/05	\$65.57	West Valley Business Park	M2	1	Y	
520	040	273810	0610	202,179	2113924	\$17,220,000	04/05/05	\$85.17	GEORGETOWN CENTER	IG2 U/8	2	Y	
520	050	152605	9057	89,147	2127772	\$7,000,000	05/25/05	\$78.52	MACKIE DESIGNS, INC.	I	1	Y	
520	010	943050	0110	55,975	2137929	\$5,800,000	07/07/05	\$103.62	WILLOWS EAST	MP	1	Y	
520	030	158060	0028	133,165	2139052	\$11,650,000	07/09/05	\$87.49	West Park Corp Park "Bldg A"	M1	2	Y	
520	030	158060	0040	140,090	2147011	\$12,400,000	08/11/05	\$88.51	WestPark Corp Park Bldg D	M1	3	Y	
520	010	943100	0010	27,844	2158568	\$3,960,000	09/28/05	\$142.22	WILLOWS NORTHWEST #1	MP	2	Y	
520	030	346280	0238	16,440	2171654	\$2,400,000	11/22/05	\$145.99	BUSINESS PARK	CM-2	1	Y	
520	010	032505	9258	203,050	2173180	\$17,600,000	12/02/05	\$86.68	WILLOWS COMMERCE PARK PHASE I -	MP	2	Y	
520	050	664110	0010	237,281	2174275	\$25,850,000	12/07/05	\$108.94	THE PARK AT WOODINVILLE BLDG A	I	5	Y	
520	050	697920	0080	151,905	2175963	\$21,350,000	12/09/05	\$140.55	BOTHELL 405 BUSINESS PARK	MU	2	Y	

USPAP Compliance

Client and Intended Use of the Appraisal:

This mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a mass appraisal report as stated in USPAP SR 6-7. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

The purpose of this report is to explain and document the methods, data and analysis used in revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The revaluation is subject to their periodic review.

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65) . . . or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Highest and Best Use

WAC 458-12-330 **REAL PROPERTY VALUATION—HIGHEST AND BEST USE.**

All property, unless otherwise provided by statute, shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Uses which are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in estimating the highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

Date of Value Estimate

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law. [1961 c 15 §84.36.005]

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year. [1989 c 246 § 4]

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date a valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

Property rights appraised:

Fee Simple

The definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute. "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Assumptions and Limiting Conditions:

- 1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.*
- 2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.*
- 3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.*
- 4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.*
- 5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.*
- 6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.*
- 7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.*
- 8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.*
- 9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.*
- 10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.*
- 11. An attempt to segregate personal property from the real estate in this appraisal has been made.*

12. *The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.*
13. *I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.*
14. *Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.*

Departure Provisions:










Which if any USPAP Standards Rules were departed from or exempted by the Jurisdictional Exception

SR 6-2 (i)

The assessor has no access to title reports and other documents. Because of budget limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. The mass appraisal must be completed in the time limits as indicated in the Revaluation Plan and as budgeted.

CERTIFICATION:

I certify that, to the best of my knowledge and belief:

-  *The statements of fact contained in this report are true and correct*
-  *The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
-  *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
-  *I have no bias with respect to the property that is the subject of this report or to the parties involved.*
-  *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
-  *My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
-  *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
-  *The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.*
-  *The individuals listed below were part of the "appraisal team" and provided significant real property appraisal assistance to the person signing this certification.*